GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:601
ANSWERED ON:20.02.2003
SALE OF NATURAL GAS BY PRIVATE COMPANIES
PRABHA RAU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the private companies proposed to sell their natural gas at a price of around Rs.8000 per thousand cubic metres as against the ONGC price of Rs.2850;

(b) if so, whether it has been proposed to exempt natural gas from the levy of import duty;

(c) if so, whether the exemption of import duty on gas could enable the natural gas available at a much cheaper rate by ONGC; and

(d) if so, the steps Government propose to take to rationalize the prices proposed by the private companies and the ONGC?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) As far as private companies/JVs are concerned as per Production Sharing Contracts (PSCs), the contractors of exploration blocks and small size fields are free to sell gas in domestic market at market price. For medium size fields, the gas sale prices are governed by the terms of the respective PSCs signed, which are different for different PSCs.The gas price for fields from where gas is being sold at present by the private/JV companies range form Rs.3750 per thousand cubic meter to about Rs.6500 per thousand cubic meters.

(b)&(c) No, Sir. There is no proposal either to import natural gas or to exempt from import duty on gas.

(d) Whereas, prices of natural gas produced by private and JV companies are governed by PSC contracts, the prices of natural gas produced by ONGC and OIL are fixed by GovernmentHowever, in a deregulated scenario, the prices of natural gas produced by ONGC and OIL may be fixed by the producers only.